(c) The existing Management Information System of Reserve Bank of India does not maintain the data in the desired form.

Aid from ADB

3016. SHRI B.J. PANDA:
MS. MABEL REBELLO:

Will the Minister of FINANCE be pleased to state:

(a) whether the Asian Development Bank (ADB) proposes to advance $ 2 million aid for India's core sector development;

(b) if so, the details thereof; and

(c) how far will this help to speed up infrastructure development in Private Partnership (PP) mode, with specific reference to Orissa and Jharkhand?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) A technical assistance (TA) project amounting to $ 2 million has been approved by Asian Development Bank (ADB). The TA aims to strengthen the capacity of 14 State Governments in identifying, appraising, and developing public-private-partnership (PPP) projects. Orissa is one of the 14 states covered under this TA. This TA is also helping in strengthening nodal PPP cells in 14 states which are assisting State Government staff for developing financially viable PPP projects.

Planned and non-planned expenditure

3017. SHRI KALRAJ MISHRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government considers distinction of allocations as Planned and Non-Planned expenditure as dysfunctional as Stated in the Economic Survey;

(b) if so, the reasons for retaining such category in all the Demands for Grants for various Ministries and Departments;

(c) whether Government proposes to do away with such classifications; and

(d) if so, by when?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Eleventh Five Year Plan proposes to address many outstanding issues that have emerged over the years with the changing structure of Centre, State financial relations, such as, distinction between Plan and Non-Plan expenditure, revenue and capital expenditure, etc. These issues have been highlighted in the form of a box in the Economic Survey 2007-08 to generate debate and discussion.

(c) and (d) At present there in no proposal to do away with the current system of classification of items of expenditure.

Help from ADB in infrastructure sector

3018. MS. MABEL REBELLO:
SHRI B.J. PANDA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Asian Development Bank (ADB) proposes to help Bihar, Orissa, Jharkhand etc. in development of infrastructure;

(b) if so, the details thereof;

(c) whether the ADB would also help the private sector in the matters; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Yes, Sir. ADB's Country and Strategy Program for 2008-2010 includes infrastructure projects for various State Governments, amounting to approximately US $ 3,200 million. The Program includes 5 projects for Bihar and 1 project each for the States of Orissa and Jharkhand.

(c) and (d) ADB assisted projects aim to support the overall development process and improved infrastructure would help indirectly to facilitate private sector development in the states.

Depreciation of Dollar

†3019. SHRI LALIT KISHORE CHATURVEDI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that value of dollar has been in continuous depreciation particularly compared with rupee in the entire global scenario;

(b) whether it is also a fact that depreciation in the value of dollar is not coming to halt in spite of continuous increase in CRR and the purchase of dollar securities by the Reserve Bank of India; and

(c) if so, the impact of decreasing value of dollar likely to be exerted on the trade and political relations with G-8 countries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The average exchange rate of the Rupee against US Dollar, on a day-to-day and month-to-month basis, has shown two-way movements during 2007-08 and 2008-09 so far.

(b) The exchange rate policy in recent years has been guided by the broad principles of careful monitoring and management of exchange rates with flexibility, without a fixed target or a pre-announced target or a band, coupled with the ability to intervene, if and when necessary. RBI closely tracks the exchange rate movements and has responded appropriately by intervention in the domestic foreign exchange markets depending upon overall market conditions.

The Cash Reserve Ratio (CRR) was increased by the RBI, in phases, from 6 per cent to 7.5 per cent during 2007-08, and is being increased in two phases by 25 basis points each w.e.f. April 26, 2008 and May 10, 2008 reaching it upto 8 per cent. Changes in CRR primarily address liquidity concerns in the domestic economy and not the external value of the rupee.

(c) Exchange rate movement is an on-going process. India's trade with other countries, including G-8 countries, depends upon various factors, such as exchange rate, relative price levels, levels of productivity and trade arrangements.

† Original notice of the question was received in Hindi.